

Penumbra Publishing

4450 Meadowland Drive
Murfreesboro, TN 37127-6612
PenumbraPublishing@gmail.com

PUBLISHING CONTRACT (AGREEMENT)

(1) AGREEMENT PARTIES AND TERM

(1a) A legal and binding Agreement to publish a work is made this ????? day of ??Month???, in the year of 20??, (day/month/year),

BETWEEN Penumbra Publishing, located at 4450 Meadowland Drive, Murfreesboro, Tennessee, 37127-6612, hereinafter called the "Publisher"

AND ??Author Name???, writing under the pseudonym NOT APPLICABLE, hereinafter called the "Author", whose address is ??Street Address, City, State, Zip / Country if applicable???, and whose email address is ??email@address.com???, being the writer and owner of a work tentatively entitled ??Working Title??? (hereinafter called the "Work"), intended for the market of Fiction / Genre / Subgenre???, with approximate word count of ??electronic word count???.

WITH CO-AUTHORS, IF APPLICABLE, IDENTIFIED BELOW

NOT APPLICABLE

(1b) AGREEMENT ACCEPTANCE – This Agreement (contract) is considered accepted if is signed and returned to Publisher via postal mail within 14 days of contract date. Signed mailed Agreement will be kept in file as a record. Non-receipt of signed contract from Author within the 14-day period from the date of the Agreement nullifies Agreement unless Publisher agrees in writing (by email) to extend acceptance deadline at Author's request. In certain cases as determined by the Publisher, an email from Author stating intent to accept contract as sent by attachment will suffice as acceptance of contract, and said email will be kept in file in lieu of signed contract. (In the case of co-authors, all co-authors must sign and return or email acceptance of their copies of the Agreement within 14 days of the contract date.) Contract is not valid unless acceptance conditions, as stated, are met.

(1c) INITIAL TERM, AUTOMATIC RENEWAL, AND TERMINATION – The initial term of this Agreement remains in effect for a period of **TWO YEARS** from the postmarked contract return date, or the email acceptance transmission date, whichever may apply. After the initial term, the Agreement as originally drafted and appropriately amended will be automatically extended annually on the anniversary date of the Agreement and remain in effect until 90 calendar days after either Publisher or Author provides written notification of termination either by email or post mail. Termination notification date is determined by postmark date or email transmission date. (Sales of the work may occur after termination through no fault of the Publisher due to legacy distribution, over which the Publisher has no control. These instances of legacy sale are not to be considered

breach of contract to terminate this Agreement.)

(1d) SERIES ADD-ONS TO AGREEMENT – If Work represents part of a planned series, and Author and Publisher mutually agree in writing via email addendum to this Agreement, sequels or prequels under the same series will be accepted with the same publishing terms as stated in this original Agreement, with in changes in terms to be specified in written email addendum to this Agreement. Changes in terms might include extension of publishing term, and any changes would retroactively cover all volumes in the series covered under this original Agreement and addendums.

(1e) CHANGE OF NOTIFICATION METHOD – Acknowledgement of notification of updated/changed postal delivery and/or email addresses by either party will be considered as mutually agreed contact updates to this agreement, and will be attached as a copy to this Agreement and considered a part of this Agreement.

(2) GRANTING OF RIGHTS

The Author hereby grants and assigns to the Publisher the following rights in regard to reproducing and distributing the Work:

(2a) ELECTRONIC RIGHTS – The Author agrees to allow the Publisher English language worldwide rights to reproduce and distribute the Work electronically as a direct upload/download via the internet through the Publisher's website, as retail through online bookstores, wholesale through distributors, or any other sales means determined appropriate by the Publisher. The Author also grants and assigns to the Publisher the right to reproduce and sell the Work on disks or other physical electronic storage media through mail order/telephone order sales and/or through retail sales via internet at online bookstores and/or physical bookstores. These rights pertain to those electronic rights described above and any or all future electronic formats that may be developed during the period covered by this contract.

(2b) PRINT-ON-DEMAND AND TRADE PAPERBACK RIGHTS – The Author agrees to allow the Publisher English language worldwide rights to reproduce and distribute the Work in print-on-demand or short-print-runs in trade paperback formats and/or other sizes available from print-on-demand print-production entities and/or distributors Publisher may contract to produce the Work in printed form. Publisher may distribute printed books or sell retail from Publisher's web site, or allow retail sales through internet online or physical bookstores, or at special promotional events or any other sales venues the Publisher deems appropriate.

(2c) DEFINITION OF WORLDWIDE ENGLISH LANGUAGE RIGHTS – For the purpose of this Agreement, worldwide English language rights applies to all sales of all formats for which the Author grants Publisher. Worldwide encompasses all domestic sales (USA and its territories) and all foreign sales (in countries or territories not governed by USA), via approved wholesalers or retailers or resellers located and/or doing business anywhere in the world, provided the main body of the Work is in the English language (even though it may contain some minor content in languages other than English).

(2d) FOREIGN AND DOMESTIC NON-ENGLISH LANGUAGE RIGHTS – Author is free to negotiate foreign or domestic rights for the Work in a primarily non-English version, or to engage an agent to act on the Author's behalf in negotiating foreign rights for the Work translated into

languages other than English and intended for foreign or domestic sales.

(2e) OTHER RIGHTS – Production, distribution, and sale of the Work in electronic or print form in the worldwide English language version shall remain exclusive to the Publisher while this contract is in effect, and Publisher does not request or claim any other rights, such as related merchandising, movie rights, audio recording rights, or similar rights usually considered separate from the electronic and print rights herein requested by Publisher and granted by Author. Author will not produce or distribute or enter into other agreements with other publishers or distributors to serialize or produce alternate versions of the Work, including movie tie-in electronic or print versions of the Work, or in any other way sell the Work or rights to the Work without first consulting Publisher to determine whether such activities would infringe on the ability of Publisher to derive income from the rights granted by Author to Publisher while this contract is in force.

(3) COPYRIGHT

(3a) COPYRIGHT REGISTRATION – Per copyright law, the Work is immediately protected by copyright the moment it is created in a format capable of being reproduced or transmitted for consumption/use by other individuals. Copyright can be optionally registered with the US Copyright Office. Responsibility for copyright registration rests solely with the Author as the owner of copyright to the Work. Registration of copyright will be made at Author's discretion and expense. Publisher advises Author to refer to current copyright law and be aware that failure to register copyright could negatively impact the ability to recover monetary damages if copyright registration is not filed on the Work. (In the case of co-authors, all authors must consult US Copyright Law to determine the proper way to register copyright of the Work. If an anthology, each author will be responsible for registering copyright for the portion of the Work for which they own copyright.)

(3b) COPYRIGHT LAW REQUIRING DEPOSIT OF TWO COPIES OF WORK – Publisher will, at Publisher's expense, within three months of publication release of the Work or as soon as practical thereafter, send two copies of the Work to the Library of Congress as required by US Copyright Law. As a service to Author, if Author chooses to register copyright for the work, Publisher will include the completed registration form and fee to accompany two best-format copies of the Work sent to the Library of Congress, provided Author forwards the completed form and pays funds to Publisher to cover the copyright registration fee, in a method acceptable to Publisher, or provides Publisher with a printable receipt of payment directly to the Library of Congress, along with a printable copy of the registration form. Author's intent to register copyright for the work should be coordinated with Publisher in a timely manner if copyright form and fee are to be included with Publisher's mailed copies of the work.

(3c) COPYRIGHT INFRINGEMENT – In the event of copyright infringement on the Work, Author is encouraged to put forth appropriate defense. Publisher may, at its discretion, defend against copyright infringement and expend financial resources in such a defense, but is not obligated to do so. Publisher's decision to expend funds in defense of copyright will be decided by the potential defense cost compared to recompense for lost income due to infringement. Publisher's defense in copyright infringement may also be dependent on timely registration of the copyright for the Work, and if no registration was made, copyright defense with recompense may not be possible.

(3d) COPYRIGHT NOTICE WITHIN THE WORK – Publisher agrees to imprint or to have

imprinted in each copy of the Work the copyright notice in accordance with applicable US Copyright Law, which includes, when applicable, the ISBN/EAN-13 assigned to the Work for print format and/or for electronic format in which the Publisher makes the Work available.

(4) MANUSCRIPT (THE WORK)

(4a) DELIVERY OF MANUSCRIPT – The Work is to be sent to Publisher electronically via email attachment in acceptable compatible format per Publisher’s specifications (**DOC or RTF or ODT file format usable on Microsoft Windows-based operating system, compatible with Microsoft Office 2003-1997**). Author has 10 days after the post date of electronic written approval of this agreement, or 10 days after the postmark date of mailed signed contract, to provide manuscript of the Work as specified. Failure to provide the manuscript within the timeframe designated, or by the date specified, will, at the Publisher’s discretion, nullify this agreement.

(4b) PUBLISHER REQUESTED REVISIONS – If, in Publisher's sole opinion, the manuscript is not suitable for publishing purposes, then Publisher shall have the option to request Author to perform such changes or rewrites of the manuscript as Publisher deems necessary. Author may agree to said changes, negotiate mutually agreeable changes, or nullify this Agreement in accordance with early termination terms in Section (9) Breach of Contract.

(4c) AUTHOR’S TIMELINE FOR REVISIONS – If Author agrees with Publisher’s request to revise the Work, Author is to deliver a complete, clean, and revised manuscript in acceptable, compatible electronic format to Publisher within 30 days of notification of Publisher’s request for rewrites. Author may negotiate a mutually acceptable extension if 30 days is not sufficient for Author to complete the rewrites as agreed.

(4d) MANUSCRIPT ACCEPTABILITY FOR PUBLICATION – If, in Publisher's sole judgment, the revised Work requires no further revisions, it is deemed acceptable for publication.

(4e) PUBLISHER’S RIGHT TO CORRECT ERRORS – If, upon inspection of the final draft of the Work, Publisher finds that Author has failed to correct any errors, whether these are in the nature of grammar, usage, punctuation, logic or anything whatsoever that would be interpreted clearly as an error, Publisher reserves the right to correct all such errors without further consultation with Author. For print formatting purposes, Publisher reserves the right to make minor editorial changes to correct formatting errors without consulting Author and to duplicate said changes in all versions of the Work.

(4f) AUTHOR PROOF PRIOR TO PUBLICATION – Publisher will provide Author with electronic version in PDF format of the Work as intended for publication, including the entire manuscript formatted for print production, and entire cover formatted for print production. Upon receipt of said files, Author has 10 days to proof the files for errors and suggest changes. Publisher will either make requested changes as it sees fit or, in the absence of Author’s approval, within 10 days of proof delivery to Author will send the completed work for print production and release it for sale according to the production schedule of the printer contracted by Publisher. At Publisher’s discretion, if further changes are made to the Work before final production, a second electronic proof will be offered for review by Author, with a 10-day window for approval or request for further changes which, if requested by Author, will be made at the Publisher’s discretion.

(4g) ERRORS – Publisher will make every reasonable effort to ensure the Work is produced and published as error-free as possible. Publisher makes no warranty regarding absence of errors in the final version of the Work in print or ebook format. Publisher may choose to correct post-production errors but is not obligated to do so unless said errors can be demonstrated to create a situation that is harmful to others or violates prevailing US copyright or defamation laws.

(4h) REVISIONS AND REVISED EDITIONS – Publisher reserves the right to make minor editorial revisions or corrections to the already released editions of the Work for sale under the scope of this Agreement, or offer the Work with different cover art, without the requirement that revised forms of the Work be reissued as revised editions under a different ISBN/EAN-13. Significant changes in content of reissued versions of the Work requested by the Author and agreed to by the Publisher may, as mutually decided, be reissued as revised editions requiring different ISBN/EAN-13. Upon reaching this decision, an addendum to this Agreement will be attached as part of this Agreement to cover said new edition changes.

(4i) FORMATTING AND COVER ARTWORK FOR THE WORK – Publisher retains copyright of all artwork and unique formatting used in production of the work for publication, and said artwork and final-format files may not be used in any manner without Publisher’s permission, except for the purpose of display or in excerpts to promote and sell the Work while it is governed by this Agreement. Use of said artwork or files beyond the scope of this Agreement is prohibited by the Publisher unless an agreement is made to release said files for use beyond the scope of this agreement.

(5) PERMISSIONS FOR USE OF OUTSIDE COPYRIGHTED MATERIAL

(5a) NOTIFICATION OF OUTSIDE COPYRIGHTED MATERIAL – Prior to submitting the Work to Publisher for production, Author must notify Publisher of any content in the Work that is copyrighted material taken from other sources beyond ‘fair use’ for which Author does not hold legal copyright.

(5b) OBTAINING COPYRIGHT PERMISSION – Author shall be responsible for and shall, at the Author’s own expense, obtain all necessary permissions to publish any copyrighted material beyond ‘fair use’ contained in the Work, prior to submitting the Work to Publisher for acceptance.

(5c) IN THE ABSENCE OF COPYRIGHT PERMISSIONS – The Author agrees that without said permissions, copyrighted material beyond the legal definition of ‘fair use’ must be removed from the Work in such a manner as to render the Work in a revised state deemed by Publisher to be fit to publish.

(6) AUTHOR’S WARRANTY

(6a) SOLE CREATOR – Author warrants and covenants that Author is the sole creator and owner of the Work, that the Work is original. (In the case of co-authors, each author warrants that his/her portion of the Work is original content to which the author maintains ownership and legal control.)

(6b) CONTENT – Author warrants that the Work is not subject to any pre-existing contractual obligations; does not infringe on any right of privacy, copyright, or proprietary right; is not in violation of any statute; and does not contain any matter unlawful, libelous, or defamatory.

(6c) Author warrants that Author has full power and authority to enter into this Agreement; and if not, then Author agrees to have at least one legal guardian or legal representative of the Author sign this Agreement in addition to Author to signify acceptance of this Agreement.

(7) ROYALTIES

(7a) SALES PROJECTIONS – Publisher makes no sales royalty projections for the Work and hereby notifies the Author that all sales are dependent in large part on the Author’s ability to effectively promote and market the Work to readers individually and in group forums, using whatever methods seem prudent and effective within the Author’s means.

(7b) ADVANCE – Publisher shall not be required to pay Author an advance upon or against the money expected to accrue to him/her under this Agreement. Any advances paid shall be entirely voluntary on the Publisher’s part, to be paid at such time and in whatever amount and method the Publisher’s deems acceptable. This Agreement is in no way contingent on Publisher paying any kind of advance to Author.

(7c) MULTIPLE AUTHOR ROYALTIES – If the Work consists of an anthology, novel or short stories written by multiple authors, royalty percentages will be split equally among all authors of the Work unless otherwise specified in this Agreement.

(7d) AUTHOR’S ROYALTY PERCENTAGE – Regardless of method or source of sale, whether wholesale distribution or through Publisher’s direct sales, royalty earnings from said sales of the Work in any format (electronic or print) will be split between Publisher and Author so that Author’s portion is 50 percent of the earnings from said sales. Author shall note that royalty earnings on this basis will not be tied to a specific retail price for a given format of the Work, but will be based strictly on net earnings from all sales of the Work for which Publisher receives payment. Net earnings in this situation means whatever profit Publisher receives from sales will be figured after direct costs of conducting the sales are deducted from the gross sales receipts of the Work. Direct costs could include but not be limited to costs related to unit sales of the Work such as printing and shipping to obtain printed units of the Work for resale, sales transaction fees to process buyer payments, and promotional discounts on shipping or other costs normally associated with sales of the Work. Upfront costs such as set-up and processing fees, and recurring file distribution maintenance fees charged by the printer or distribution management entity, and other costs of doing business not directly associated with individual unit sales of the Work, will be capitalized by the Publisher over the lifetime of this Agreement and be paid by the Publisher’s portion of royalties earned, as a cost of doing business.

(7e) REPORTED SALES AND COLLECTED ROYALTIES – Publisher may from time to time report sales to Author for which royalties have not yet been collected from the reseller. This in no way obligates Publisher to pay Author any royalties on proceeds except those that have actually been paid to Publisher. Payment of collected royalties will follow a timely manner as set out in the schedule of payment per this Agreement. Publisher has no control over and accepts no responsibility for delayed or uncollected royalties earned on reported sales or sales for which Publisher receives insufficient or faulty information. Corrections to royalty payments may be made from time to time if Publisher finds that adjustments are required.

(7f) STATEMENT OF ACCOUNT – Publisher agrees to provide Author with a periodic Statement of Account via email twice yearly for proceeds derived and received from sales of Author's Work during the statement periods. Statement periods will be defined as ending December 31 and June 30, and sales information shall be provided to Author semi-annually for those periods, regardless of whether any money is due, to satisfy Publisher's obligation to effectively notify Author regarding royalty earnings. Statements will be delivered electronically some time following the statement ending periods, but no later than one month after the statement ending periods, unless Author is notified by Publisher of an expected longer delay. Royalty information may be provided at more frequent intervals if deemed appropriate by Publisher, and royalty statements sent by the Publisher within 30 days of the semi-annual reporting periods shall be regarded as sufficiently close to the semi-annual periods to serve as the statements for those periods.

(7g) PAYMENT SCHEDULE – Royalties earned and collected by Publisher on sales of the Work will be paid per the percentage defined in section (7d) above. Royalties due Author that have been collected from payment sources by Publisher will be paid to Author within one month of delivery of specified semi-annual scheduled earnings statements. Royalty payments will be made via PayPal electronic funds transfer, in US dollars, to a PayPal account designated by Author. Payments will be sent within 30 days after the date electronic earning statement is sent to Author per the previously defined semi-annual schedule. At Publisher's discretion, royalty payments may be made on a more frequent basis. Any royalty payments sent by the Publisher within 30 days of the semi-annual reporting/payment periods shall be regarded as sufficiently close to those periods to serve as the payments for those periods.

(7h) MINIMUM PAYMENT THRESHOLD – Publisher reserves the right to withhold electronic royalty payments due author until accumulated royalties equal or exceed \$10.00 (USD) within any given payment period either scheduled or optional. Payments physically delivered via US Postal Service or other carrier outside the United States must meet a \$30.00 (USD) minimum within any given payment period either scheduled or optional. If royalties due Author fail to meet the minimum over the course of this Agreement, the balance of royalties due will be sent to Author when this Agreement is terminated.

(7i) DELIVERY AND OTHER PAYMENT FEES – If royalty payments due Author incur delivery fees, said excess fees/charges may be deducted from future royalty earnings due to be paid to Author, either incrementally or in accumulated lump sum to be determined by Publisher, at a time determined by Publisher. Additionally, any electronic payment fees resulting in excess delivery fees, including but not limited to international monetary exchange fees, will be deducted from the future earnings payable to Author at Publisher's discretion.

(7j) ALTERNATE PAYMENT DELIVERY METHOD – If Author cannot or will not set up a PayPal account to receive royalty payments, Publisher may agree to use an alternate electronic payment method of Author's choice, provided Author agrees to pay any associated transfer fees, to be deducted from the royalty payment. If no electronic payment method is available to Author, Publisher may agree to mail a negotiable check in US dollars via US Postal Service First Class Mail to the Author's address noted in this Agreement, when accumulated royalties payable to Author meet or exceed \$30.00. Cost of postage to mail royalty checks internationally will be deducted from royalty total paid to Author. Checks sent by mail will not be guaranteed by Publisher to arrive, and any checks that, after one month, are considered 'lost in the mail' due to non-delivery will be replaced with a second payment sent by the same method under the same

terms to Author, but will include a ‘stop-payment’ fee of \$30.00 deducted from royalties due to Author. In the event a ‘stop-payment’ fee exceeds royalty payment due to Author, the amount by which the ‘stop-payment’ fee exceeds the royalty payment due will be deducted from subsequent future payments due to Author. Publisher strongly urges Author to accept payment electronically as described herein, or to negotiate a mutually agreeable alternate electronic payment method, notification of which will be attached to this Agreement as an amendment.

(7k) ACCOUNT AUDIT – In case of suspected errors, author shall have the right to have audited once annually, Publisher’s records pertaining to the Work, where such records are usually maintained. In the event that any semi-annual accounting statement under-reports collected royalties due the Author in an amount greater than 15 percent of the total amount due during the period covered by that accounting statement, Publisher shall pay the direct cost of the audit, if any, but not to exceed \$100.00 USD. When under-reporting is 15 percent or less of the total royalties due during that statement period, Author is responsible to pay any auditing fees and expenses incurred directly or indirectly as a result of such requested audit. Publisher will not be held accountable for faulty sales information provided by outside distributors or retailers, or for sales royalties reported but not paid to Publisher by outside distributors or retailers.

(8) PROMOTIONAL AND AUTHOR COPIES OF THE WORK

(8a) REVIEW, PROMOTIONAL, OR FREE COPIES OF WORK – Publisher may, at its discretion, provide free print or electronic promotional copies of the Work to review sites, as contest prizes, or for any other promotional activities deemed appropriate by Publisher. Author will not receive or be credited for royalties on promotional giveaways of the Work, whether given away by Author or Publisher. Author is responsible for purchasing and shipping costs for all promotional copies given away by Author. At Publisher’s discretion, Publisher may provide promotional copies at Author’s request, reserving the right to charge all costs of providing copies against royalties due to Author. If insufficient royalties have been earned by Author to cover costs of promotional copies, Publisher may hold unpaid costs due against any future royalties payable to Author until all promotional costs are covered. Publisher providing promotional copies at Author’s request at Publisher’s expense shall not be deemed an enforceable condition of this Agreement.

(8b) AT-COST PRINT COPIES OF THE WORK – Author may order and pay for an unlimited number of print copies of the Work for promotional distribution or for sale, or for any other purpose Author sees fit. Publisher allows Author to purchase an unlimited number of at-cost print copies of Work, at or near the actual printing cost the Publisher would pay, but no greater than 20% above actual cost. Publisher will make every effort to provide Author access to printed copies at the lowest possible cost but cannot guarantee copies will be available at actual cost of printing, due to the nature of setting discounts on the printer’s web site. Any royalties earned on print copies ordered by Author will be split equally between Author and Publisher per this Agreement. All Author purchases will be made directly by the Author through the Publisher’s printer or designated distributor. Author will be responsible for paying any shipping and handling charges directly to the printer. Printed copies of the Work sent to review sites by Author or given away in promotional activities shall be accounted for by Author to Publisher to avoid duplication of promotional efforts.

(8c) FREE AUTHOR ELECTRONIC COPIES OF THE WORK NOT FOR RESALE – Upon Author’s request, Publisher agrees to provide and license to Author one electronic file copy of the Work in each of the electronic formats available direct from the Publisher, to make copies and

distribute for promotional purposes the Author may deem appropriate (such as for contest prizes, or review copies). Publisher will provide electronic copies of the work in various file formats available from Publisher or available free to the Publisher, at no cost to the Author except if delivery of said files incurs a delivery fee for the transfer process requested by Author. Normal email attachments will be assumed to incur no delivery fees. Further, Publisher licenses Author to copy onto disk or CD or other electronic storage device an unlimited number of copies of the Work for promotional distribution or resale directly by the author. Author must account to Publisher actual distribution of copies of the Work to avoid duplication of promotional efforts. No royalties will be paid to or credited to Author for free electronic Author copies of the Work. Proprietary electronic copies that cannot be delivered direct from Publisher to Author for promotional purposes will not be provided free of charge. If Author chooses to use proprietary electronic format copies for promotional giveaways, Author will obtain said copies from the proprietary source and be responsible for all associated fees to obtain said copies from the proprietary source.

(8d) PROMOTIONAL ACTIVITIES – Author is expected to actively and appropriately self-promote and to promote both the Work and the Publisher to the best of his/her abilities, but Author is not expected to purchase or contribute advertising to Publisher’s marketing or public relations campaigns. Any promotional or public relations or marketing campaigns Publisher sponsors or participates in shall be at the Publisher’s discretion and expense. Cooperative promotional activities to specifically promote the work of various authors, such as paid advertisements featuring specific works, will be by invitation with the expectation that participating authors will pay a prorated share of the advertising and any other related costs. At Publisher’s discretion, Publisher will send review copies of the Work on Author’s behalf and will notify Author when and where review copies have been sent, to avoid duplication of effort. Publisher does not reserve funds or provide funds for use by Author for promotional activities. Author is free to contract outside promotional firms or otherwise participate in promotional activities sponsored by other organizations at Author’s expense. Author is expected at all times to promote Author’s brand, the Work, and the Publisher appropriately, and not engage in illegal or defamatory activities, or by association cause detriment to the Publisher’s reputation.

(9) BREACH OF CONTRACT

(9a) PUBLISHER BREACH – Publisher shall not be deemed to have committed any breach of this contract by reason of its acts or failure to act unless written notice thereof has been sent to Publisher by Author setting out specific details, and Publisher has failed to remedy such breach within 90 days of receipt of written notice. Breach (if proven) without appropriate remedy within 90 days will result in reversion of rights to the Author and nullification of this Agreement, without entitlement of monetary compensation for any loss perceived by the Author. Breach applies specifically to the terms of this Agreement.

(9b) AUTHOR BREACH – Author’s breach of contract or withdrawal from this Agreement after Publisher has made considerable production investment in the Work may incur financial penalty equivalent to the amount of money expended for preparation of the Work for sale, up to \$200.00 USD. In the event of Author’s breach or withdrawal, Author agrees to pay for said itemized production expenses not to exceed \$200.00. (In the case of co-authors, if any one of the co-authors commits a breach of or prematurely terminates this Agreement, the Agreement is nullified in accordance with terms herein for all the remaining co-authors, and each co-author will be equally and proportionately liable for up to \$200.00 total damage compensation.) Breach applies

specifically to the terms of this Agreement.

(9c) ARBITRATION – Unresolved differences may be subject to legal and binding arbitration in the State of Tennessee, and any legal expenses will be borne by the respective parties.

(9d) REMAINDERS – Publisher reserves the right to recover cost of and to dispose of all remainder print stock of said Work in any manner deemed appropriate by the Publisher in the event of contract negation/termination or Author withdrawal/breach. Royalties will be paid to Author only if due on remaining physical copies in stock, and will be based on net earnings after Publisher production and sales expenses, in the event of Author breach of contract or withdrawal before the initial contract period. This clause also covers sales of electronic or print copies by distributors who may have access to the Work via systems beyond Publisher's control to implement immediate cessation of said access. Any royalties due on said remainder sales will be paid in accordance with the terms of this contract in effect at the time of contract breach or cancellation.

(10) FAILURE OF COMPANY, RESALE, OR ASSIGNMENT

(10a) FAILURE OF PUBLISHER – If Publisher shall apply for or consent to the appointment of a receiver, trustee, admit in writing its inability to pay its debts as they mature, make a general assignment for the benefit of creditors, be adjudicated as bankrupt or insolvent, or file a voluntary petition in bankruptcy, or a file a petition or answer seeking reorganization, insolvency, readjustment of debt, dissolution or liquidation under any law or statute of any jurisdiction, or file an answer admitting material allegations of a petition filed against it in any proceeding under any such law, or if corporate action shall be taken for the purpose of effecting any of the foregoing, then immediately upon the happening of any of the said events, upon Author's written notice to Publisher, Publisher's rights under this Agreement shall terminate.

(10b) DEATH OR INCAPACITATION OF SOLE-PROPRIETOR PUBLISHER – In the event of death or incapacitation of the Publisher (sole proprietor), all assets belonging to the Publisher, including unsold physical copies of the Work manufactured for sale, will pass through inheritance according to local laws governing survivorship. Non-physical assets, such rights to the Work, revert to the Author.

10c) DEATH OR INCAPACITATION OF AUTHOR – In the event of death or incapacitation of the Author, all rights to the Work will revert to Author's estate or legal representative after 90 days written notification. Author may choose to continue Agreement and have royalty payments and copyrights transferred to heirs after 90 days written notification, in which case terms of this Agreement will be binding upon the heirs in respect to terms that may still apply in governing Publisher's use of rights to the Work and royalty payments.

(10d) ASSIGNMENT – Neither party may assign this contract through resale or transfer of ownership without written consent from the other party. Premature contract buyout falls under this mutual consent stipulation and may involve monetary compensation as stipulated in this Agreement or to be agreed on mutually by both Author and Publisher.

(11) TAXES

(11a) Publisher will not withhold taxes from Author's royalty payments, unless specifically noted

in an itemized explanation of the payment. Author is responsible for reporting and paying her/his own income taxes on earnings paid by Publisher. Publisher will provide Author with earnings statements in appropriate forms or substitute forms, as required by US laws for the region in which Publisher is located. Failure of Author to receive such statements does not absolve Author of tax responsibility. On total earned royalties insufficient to warrant taxation notification forms, Publisher will not be obligated to provide said forms to Author. Further, Author agrees to provide Publisher with tax-reporting information required by law to properly report taxable income, and such information may include federal tax ID numbers. Publisher warrants that only required information will be requested, and said information will be kept confidential and protected to the best of Publisher's ability.

(11b) Publisher will collect and pay all sales and other taxes and file forms as necessary relating to sales of the Work, as required by laws governing commerce in regard to Publisher's physical location and Publisher's direct sales of the Work. On total sales insufficient to warrant taxation, or on sales where taxation is not specifically levied or required, Publisher will not be obligated to collect or pay or report sales tax.

(12) SCOPE OF AGREEMENT

(12a) FOR SINGLE AUTHOR – This constitutes the entire Agreement, and no change shall be made to the Agreement unless mutually agreed to in writing (email or post mail) by both parties, to be attached as addendum to this Agreement. Any provision judged to be unenforceable shall not negate the remaining provisions.

(12b) FOR MULTIPLE AUTHORS – All general terms of Agreement applying to single author apply prorated to multiple authors as deemed appropriate by Publisher and/or noted in Agreement. For each co-author of the Work, a copy of this Agreement with identical terms shall be provided, and validation of all the contracts for all co-authors of the Work shall be co-dependent and subject to the same amendments, if any, to this Agreement. Each co-author will receive the same notifications from the Publisher and be governed by the same terms of this Agreement. Any provision judged to be unenforceable shall not negate the remaining provisions.

IN WITNESS WHEREOF the parties hereto have executed this Agreement:

Author

Date

Cosigner (if applicable)

Date

????PUBLISHER/OWNER NAME????
Authorized Agent of Penumbra Publishing

????DATE????
Date